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15 November 2016

S U M M O N S

MEETING: Economic Development Board
DATE: 23 November 2016
TIME: 6.00pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Lisa Young

MICHAEL LAWTHER
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

The Mayor (Councillor Mrs Hook) (ex officio)
Chairman of the Policy and Organisation Board (Councillor Hook) (ex officio)

Councillor Philpott (Chairman)
Councillor Beavis (Vice Chairman)

Councillor Ms Ballard
Councillor Bateman
Councillor Ms Diffey
Councillor Edgar
Councillor Farr
Councillor Mrs Forder

Councillor Mrs Furlong
Councillor Mrs Huggins
Councillor Miss Kelly
Councillor Mrs Prickett
Councillor Raffaelli
Councillor Mrs Wright

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

This meeting may be filmed or otherwise recorded. By attending this meeting, you are consenting to any broadcast of your image and being recorded.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting, then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off or switched to silent for the duration of the meeting.

AGENDA

1. APOLOGIES FOR NON-ATTENDANCE
2. DECLARATIONS OF INTEREST

All Members are required to disclose, at this point in the meeting or as soon as possible thereafter, any disclosable pecuniary interest or personal interest in any item(s) being considered at this meeting.

3. MINUTES OF THE MEETING OF THE BOARD HELD ON 14 SEPTEMBER 2016
4. DEPUTATIONS – STANDING ORDER 3.4

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Monday 21 November 2016. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.5

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Monday 21 November 2016).

6. PROVISION OF ENERGY SERVICES
To seek Board approval for the provision of energy services by Portsmouth City Council's (PCC) Energy Services Team.

PART II
Contact Officer:
James Hill

7. DISPOSAL OF 16 CAMDEN STREET, GOSPORT. PO12 3HZ
To seek Board approval to pursue the disposal of the property known as 16 Camden Street, Gosport, from the Council's Housing Stock.

Contact Officer:
Mark Johnson

8. LEASE OF LAND AND BUILDING AT LEE RECREATION GROUND TO LEE HORTICULTURAL SOCIETY
To seek Board approval for the lease of land and building at Lee Recreation Ground to the Lee Horticultural Society for use as a store and clubhouse.

Contact Officer
Andrew Morton

Economic Development Board
23 November 2016

- | | | |
|-----|---|-----------------------------------|
| 9. | LEASE OF LAND AND BUILDINGS AT MONKS WALK,
GOSPORT TO STYLER'S GYM
<i>To seek Board approval for the lease of land and buildings at Monks Walk, Gosport to Styler's Gym.</i> | Contact Officer
Andrew Morton |
| 10. | LEASE OF LAND AT SOUTH STREET GOSPORT TO
ALVERBRIDGE NURSERY
<i>To seek Board approval for the lease of land and buildings at South Street Gosport (former Driving Test Centre) to the Alverbridge Nursery for use as a day nursery for children aged six months to five years old.</i> | Contact Officer
Andrew Morton |
| 11. | LEASE OF ROOF SPACE AT ALVER VILLAGE FOR THE
INSTALLATION OF CCTV CAMERAS AND ASSOCIATED
EQUIPMENT
<i>To report to Board use of the Chief Executive's emergency delegated powers for the lease of roof space from First Wessex on Ark Royal House, Alver Village, Rowner to facilitate the installation of CCTV cameras and associated equipment in and around the Alver Village area.</i> | Contact Officer
David Williams |
| 12. | LEASE OF TOWN HALL OFFICES TO THE OFFICE OF THE
POLICE AND CRIME COMMISSIONER FOR HAMPSHIRE
<i>To seek Board approval for the lease of additional office space within the Town Hall, for use as a reception desk for the new Police Neighbourhood Office, to the office of the Police and Crime Commissioner for Hampshire (OPCC).</i> | Contact Officer
Andrew Morton |
| 13. | ANY OTHER ITEMS
<i>-which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency.</i> | |

Board/Committee:	Economic Development Board
Date of Meeting:	23 rd November 2016
Title:	Provision of Energy Services
Author:	Housing Services Manager
Status:	FOR DECISION

Purpose

To seek Board approval for the provision of energy services by Portsmouth City Council's (PCC) Energy Services Team.

Recommendation

The Board

1. Authorise PCC's Energy Services to act as agents for Gosport Borough Council (GBC) and finalise and implement the procurement, management and validation of utilities (including water) under the fee structure set out within this report
2. To authorise PCC Energy Services to provide the following additional services to GBC under the fee structure set out within this report:
 - Installation of Solar PV
 - Set up a Gosport-branded Energy Switching Website
 - Sourcing energy-related grant funding to assist GBC residents
 - Void energy management in local authority housing voids
 - Ongoing feasibility and design of further energy projects
3. To delegate authority to the Housing Services Manager to implement the delivery of energy services (as shown above), energy efficiency and microgeneration projects within buildings owned by Gosport Borough Council with an effective date of 1st December 2016 but subject to a comprehensive financial appraisal(s) approved by the S151 Officer
4. To delegate authority to finalise matters relating to this report and which buildings are used to The Housing Services Manager; and
5. To delegate to The Borough Solicitor authority to finalise the relevant legal documentation to conclude matters.
6. Ask the Housing Services Manager in consultation with the Chairman of the Board to determine the frequency with which the Board receive updates regarding the provision of energy services.

1.0 Background

- 1.1 The Energy Services Team manages all energy-related projects and processes for PCC.
- 1.2 It has been identified that many of the processes that the Energy Services Team manage for PCC are not currently performed by Gosport Officers.
- 1.3 It is likely that significant savings can be found for GBC by expanding the Energy Services Team's remit to manage the same processes across their building portfolio.
- 1.4 The Housing Services are subject to review; proposals for the shared management arrangement and revised structure have been presented to the Housing Services teams on the 15th November 2016 and have entered a formal consultation period.
- 1.5 The proposals to create a shared service arrangement for the provision of energy services will be separated from the Housing Services review to maximise the opportunity for GBC to start to realise the benefits.
- 1.6 The current energy services in GBC are part of the Property Services Team. The work has been co-ordinated by an Energy Efficiency Sustainability Officer and Energy Efficiency Administrative Officer. The post of Energy Efficiency Sustainability Officer has been deleted following a request for redundancy. The post of Energy Efficiency Administrative Officer is funded via grant and contracted to work until the 31st March 2017. The recommendation is to place the line management of that post with the PCC Energy Services Team for the remainder of the contract. Funding may be secured to extend the post or opportunities may arise for the post holder to apply for vacancies within the Energy Services Team.
- 1.7 The Housing Services Manager has discussed the proposal with the Head of Property Services, the Energy Efficiency Administrative Officer and their line manager. All are supportive of the proposals, understand the rationale and can see the benefits to the Borough in the opportunity to commission a wide range of energy services. They accept that whilst the posts have made great strides to champion energy efficiency within the Borough, the new arrangement will bring access to a wider range of services.

2.0 Report

- 2.1 A proposal is made for the provision of energy services across GBC's building stock by PCC Energy Services Team, with services to include:
 - Utilities Procurement
 - Utilities Management; validation and payment of bills
 - Historic Bill Validation
 - Installation of Solar PV; initially on 5 GBC buildings (subject to a comprehensive financial appraisal)
 - Ongoing feasibility and design of further energy projects (subject to a

- comprehensive financial appraisal)
- Set up of a Gosport-branded Energy Switching Website
- Void Energy Management in domestic voids
- Sourcing energy-related grant funding to assist GBC residents

- 2.2 The report attached as Appendix A gives a full breakdown of the Energy Services Teams' activities, and how they will be applied to the GBC portfolio in order to source significant savings.
- 2.3 In order to properly procure power and manage the billing of utilities; permissions should be given by GBC for the Energy Services Team to act as an agent on their behalf. All procurement and bill management will be in line with the services currently carried out for PCC. A new contract for electricity will be procured in July 2017; gas in November 2017
- 2.4 The Energy Services Team proposes to set up and manage a GBC-branded website in order to help switch residents to the most preferential tariffs. This switching website will create an income for GBC from commission obtained from the switches.
- 2.5 The report attached as Appendix A states the expectation of savings from the above services to be in excess of £100,000 per annum, net of any fees incurred. The report also sets out the likely income derived from historic bill validation, which is likely to return a significant one-off payment. The caveats to these figures are laid out in the Risk Assessment below. Savings will be made on both HRA and General Fund expenditure.

3.0 Fee Structure

- 3.1 The anticipated cost of delivering the energy savings identified within this report and its appendices is anticipated to total £11,300. This charge is based on a full cost recovery basis, which includes the anticipated staff time spent in undertaking each proposal, and any other specific costs incurred directly in their delivery.
- 3.2 Appendix B shows the Energy Services Team for which the fee and proposals provide access to.
- 3.3 The anticipated charge of £11,300 can be broken down by project as follows:

Proposal	Anticipated Ongoing Saving to GBC	Anticipated Fee Charged to GBC
Utility Procurement and Management	80,000	8,300
Domestic Energy Switching	10,000	1,300
Void Utilities Management	13,500	1,700
TOTAL	103,500	11,300

4.0 Risk Assessment

- 4.1 A full investigation into GBC's energy portfolio has yet to be undertaken in depth. As a result, the savings figures are based on best estimates from information received to date, and from using case studies with similar characteristics in PCC's own building stock.

5.0 Conclusion

- 5.1 Allowing PCC's Energy Services Team to run services for GBC is likely to save an annual sum in excess of £100,000 from Council utility overheads. The historic validation of GBC's utility invoices is likely to return further money to GBC as a lump sum. Ongoing feasibilities and projects will make further savings via capital projects to install energy efficiency works and microgeneration.

Financial Services comments:	Shown in the report.
Legal Services comments:	None for the purposes of the report.
Service Improvement Plan implications:	None
Crime & Disorder:	None
Equality & Diversity:	None
Corporate Plan:	"To work with the community to improve everyone's quality of life....." extract from the Council Mission statement
Risk Assessment:	See 3.0
Background papers	None
Appendices/Enclosures:	
Appendix A	Energy Services Report
Appendix B	Energy Services Team Structure
Lead Officer:	James Hill, Shared Housing Services Manager

Appendix A

Gosport Borough Council - Energy Services Provision

Background to PCC Energy Services

Portsmouth City Council's Energy Services Team is responsible for energy within PCC's own portfolio. These services include:

- Utilities procurement, bill validation and management
- Monitoring of energy usage and generation via AMR and BMS
- Feasibility studies into energy efficiency projects and microgeneration
- Sourcing funding via external grant funding or capital bids
- Procurement and project management of energy efficiency and generation projects
- The provision of legislated non-domestic energy certificates and reporting
- Energy switching activities for residents and void properties

It is estimated that Gosport Borough Council can make an annual savings in excess of £100,000 per year by using PCC's Energy Services Team to deliver their energy services.

Utility Procurement and Management

For the purposes of estimating the potential savings associated with each of following services, it is estimated that GBC currently pay £300,000 for their electricity and gas across their estate.

PCC propose to add all GBC sites to the Laser contract for purchasing energy. This will allow PCC to source the best tariff for Gosport on a site-by-site basis through a compliantly procured route. PCC would purchase Gosport's energy 'flexibly' in line with our procurement strategy for our own estate; this is likely to bring savings of between 19-27%, compared to the market average and dependent on the characteristics of the sites.

GBC's current contract for electricity expires on 31st July 2017 and gas on 31st December 2017. After this point PCC would likely migrate the GBC portfolio onto the Laser contract, after a period of market testing to ensure best value.

PCC will pay and validate all GBC utility bills. Where appropriate, Automatic Meter Readers (AMR) to be installed for accurate readings and analysis; AMR data often comes at a cost, so a judgement will be made as to likely savings before investment of this technology is made. Bills are validated against benchmarks in order to identify errors in billing and withhold payment. GBC will be provided with access to energy management software. Ongoing bill validation typically saves around 5% of energy costs, but savings can be up to 20%.

The Energy Services Team will charge a fee to GBC equivalent to any other department within PCC. This is charged per unit of power consumed.

The GBC estate is also proposed to be included within PCC's strategy for water deregulation from April 2017; this should offer further savings and a consolidated billing process (estimated at £30 saving per bill processed) for purchasing water, as well as services such as leak detection and AMR. The charge for the ongoing procurement, management and bill payment for water, as with energy, will be charged to GBC the same rate as PCC's internal charges for other departments for this service.

In addition to the above ongoing service, PCC can offer historic validation on utility bills paid over the preceding 6 years; as mentioned previously utility bills are often wrong by between 5-20% and these costs can be recouped. There is no guarantee of this service returning any money, however if errors are found, PCC offer the service based on a share of any sums recouped of 70/30 with GBC in GBC's favour.

Non-Domestic Energy Certificates and Reporting

Display Energy Certificates are required annually for all non-domestic buildings over 250m². PCC have an in-house resource for the provision of DEC's, which is typically cheaper than using a private company for the delivery of this service.

Non-domestic EPC's are likely to need to be done far less frequently and will be quoted on a building by building basis; in line with PCC traded services rates. The next Home Energy Conservation Act (HECA) report is due for submission by 31st March 2017. HECA reporting is a biannual requirement for all local authorities to report energy efficiency targets and actions; and outline key actions which need to be taken to achieve energy use reduction. PCC propose to prepare all reports for GBC including HECA and Green House Gas (GHG) reporting.

Ongoing Energy Audits, Feasibilities and Projects

As part of their role, the PCC Energy Services Team continually assess the performance of their building portfolio. This assessment is made through analysis of energy usage and site surveys; and feeds into the development of feasibility reports for implementing energy efficiency or microgeneration projects.

Such reports are likely to recommend a range of measures which typically include insulation, BMS, heating system controls and LED lighting. As well as the technical feasibility of the implementation of these technologies, PCC will also do financial appraisals and recommend funding streams; either through prudential borrowing, or via external grants such as ECO and Salix. Project specific feasibility studies will be prepared, funded, procured and delivered by PCC's in-house team. Funding will be sought via capital spend-to-save bids which the Energy Services Team has a strong record of winning.

There is no ongoing cost associated with the above, however the cost of specific project fees such as consultancy, electrical, mechanical and design will be included within on a project by project basis and will be in line with PCC's traded service rates. Each project will be presented to the Board for their consideration. A comprehensive financial appraisal will be undertaken to be approved by the Council's S.151 Officer prior to any implementation

Solar PV Projects

PCC will consider all GBC buildings for installation of PV to be covered within the ongoing energy audits outlined above. Where a building is found to be suitable for the application of this technology, PCC will carry out a full survey of the building and suggest a payback mechanism to recoup the borrowing costs of the project, whilst making sure a benefit is seen by the end user.

The initial project including 4 sheltered housing blocks and the Town Hall will be funded through a specific PV budget and future works of this nature would be funded in a similar way (all subject to a full feasibility studies). In this example, GBC will save approximately £10,000 annually from their electricity bills without making any capital investment, which will increase annually as electricity prices rise.

PCC will be responsible for all monitoring and maintenance of the installed systems.

Domestic Energy Switching

PCC have recently set up a domestic energy switching website and telephone contact to help their residents switch energy providers; and act as a tool for front line staff working with residents in debt. The website is PCC-branded; however a similar portal could be arranged for GBC in order to encourage their own residents to switch more readily. Switching saves a typical resident £297/a, which will allow them to more easily afford their rent and Council Tax and spend that money in the local economy etc.

A further benefit to GBC is the development of an income stream from the switching service as commission is paid to the council for each fuel type switched. PCC will manage all design and administration arising from this process on behalf of GBC. This will include all liaison between GBC and the switching partner company, monitoring and validating statements and raising invoices on behalf of GBC.

Void Utilities Management

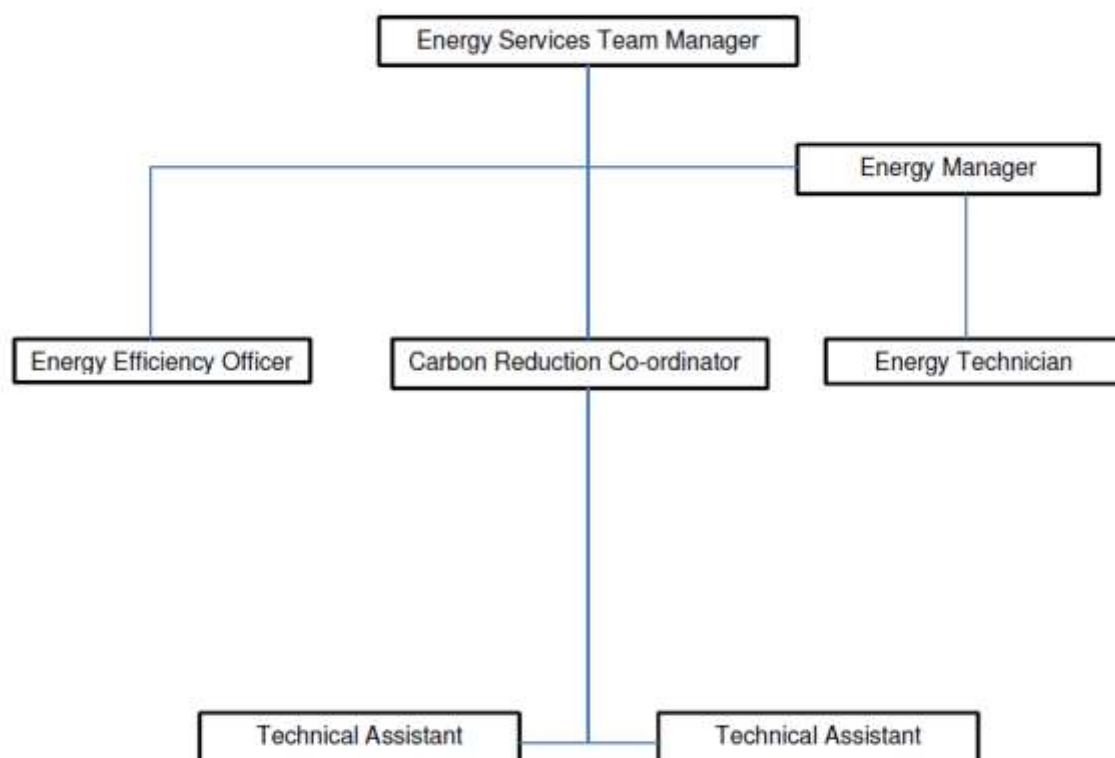
From the start of the 2017 financial year, the Energy Services Team will begin a new void protocol for switching social dwellings to a new supplier at void stage. PCC currently have no formal process in place for dealing with energy in dwellings whilst they are void which leads to a number of issues including; multiple unverifiable utility bills arriving with Finance, contractors using petty cash to top up meters and the new

tenants then being on very expensive out of contract rates when they take occupation of the dwelling.

PCC are in the final stages of agreeing this process with Robin Hood Energy (RHE). RHE will provide the cheapest energy rates to residents on pre-payment and install smart meters to help residents manage their energy bills. RHE will not charge the standing charge whilst the property is void; however they will charge for energy used, though this tariff will be at a lower rate than the typical out of contract rates encountered at present.

RHE will work with a dedicated member of the Energy Services Team to coordinate this meter install and handle and validate electronic invoices sent through by RHE. These issues lead to PCC incurring estimated annual costs of around £60,000. It is proposed to replicate this Service at GBC. If the rate of voids were repeated in GBC's housing stock, this could lead to costs of around £13,500. This new protocol will eliminate most of these issues and require relatively minimal management.

Appendix B - Energy Services Team Structure:



AGENDA ITEM NO.7

Board/Committee:	Economic Development Board
Date of Meeting:	23rd November 2016
Title:	Disposal of 16 Camden Street, Gosport. PO12 3HZ
Author:	Housing Services Manager
Status:	For Decision

Purpose

To seek Board approval to pursue the disposal of the property known as 16 Camden Street, Gosport, from the Council's Housing Stock.

Recommendation

- That the Board authorises the Housing Services Manager to sell 16, Camden Street, Gosport on the open market in accordance with the relevant Consents issued by the Secretary of State and authorises the Head of Property Services to finalise the terms for its disposal.

1 Background

- 1.1 The property is a late Victorian mid-terraced house that is flat fronted and without a forecourt. It is situated within a densely populated residential area, probably one of the oldest parts of town, within a development that is off the main A32.
- 1.2 The property is two storey of traditional build, with the facade fronting directly onto the public footpath and highway.
- 1.3 The property occupies a relatively long and narrow plot approximately 30m long and 4.3m wide. The back garden is also accessible via a concrete vehicular access serving a number of properties. This could provide potential access to a garage or garage space facility in the rear garden of 16 Camden Street subject to local authority consents.
- 1.4 Unlike the majority of the properties within GBC's Housing Stock, this property is not located within an estate or street of other council owned properties. It is an isolated property in a street consisting of privately owned dwellings. It would appear that at some point many years ago this property was bequeathed to the Council.
- 1.5 The property became void in May 2014, and it became clear that an assessment of the structure was required and the property was treated as a 'non-standard void' due to the level of works required.
- 1.6 The impact of the rent reduction undermined the financial case to retain the property.

- 1.7 The fact that this property is vacant, requires significant investment and is located within a street of privately owned properties prompted the Head of Property Services to consider seeking permission to dispose of it on the grounds that is not cost effective for GBC to carry out the necessary remedial works.

2 Report

- 2.1 To ascertain an independent view on the necessary works required to bring the property back up to a habitable, structurally sound condition, one of the Council's consultant surveying practices was asked to review the condition of the property. Their brief included a request that they provide indicative costs for the repair works and an Open Market Value (OMV) for its sale in its current condition.
- 2.2 Indicative cost for the minimum remedial works to bring the property up to a habitable, structurally sound condition, procured on the 'open market' is circa £42,000 excluding VAT
- 2.3 Indicative cost for GBC to bring the property up to a habitable, structurally sound, 'decent homes' compliant lettable standard, including the installing external wall Insulation and windows is £57,200 excluding VAT (see table in Appendix 1).
- 2.4 It is the view of the consultant, that the value of the property in its present condition could be fairly stated at £110,000 to £120,000 for the freehold interest and full vacant possession.
- 2.5 The consultant communicated that the value of the property with their schedule of works (item 2.2 above) carried out could be fairly stated at around £150,000 for the freehold interest and full vacant possession.

3. Financial Implications

- 3.1 The use of receipts arising from the disposal of housing assets (i.e. assets held under Part II of the Housing Act 1985 and for which account is made in the Housing revenue Account (HRA)) is governed by Local Authorities (Capital Finance and Accounting) (England) Regulations 20-03 (as amended) ("the regulations") require that;
- Receipts arising from disposals, other than 'Right to Buy' may be retained in full provided they are spent on affordable housing, regeneration or paying down of housing debt (each of which are defined in the regulations).
- 3.2 The current rental for this property would be £91.12 (excluding Service Charge) which equates to an annual rental income of £4379.15 based on a 48 week rent year. This figure would be

reducing by 1% per annum for the next three years, in line with Government guidance on social housing rents resulting in a figure of £4,249.08 in 2019/20. The estimated investment of around £60,000 to bring the property up to a GBC's lettable standard would take at least 13 years to recover assuming social rents increase in line with CPI again after 2019/20. This assumes all the rental income is used to recover the cost, however in reality it would only be a proportion of the rent, thereby resulting in a much longer period of recovery.

4. Legal Implications

- 4.1 As the land is currently held for Housing Purposes the disposal will proceed under Section 32 of the Housing Act 1985, and the consent of The Secretary of State for Communities and Local Government will accordingly be necessary. The Secretary of State has issued a number of General Consents under that Section and the Council can accordingly dispose of the land so long as it receives a consideration equal to its Market Value.

5 Risk Assessment

- 5.1 The risk involved in putting the property forward for sale on the open market is deemed **low**.
- 5.2 The financial risk to GBC should the sale not be sanctioned is deemed **medium** (in the short term) as GBC would need to spend in the region of £60,000 to bring the property back to a habitable and lettable condition

6. Conclusion

The costs of bringing this property up to a habitable, structurally sound condition, that also meets the 'Decent Homes' standard are considered to be prohibitive. This coupled with the fact that the location of this property is somewhat isolated from the Council's core concentration of social housing stock makes for a logical case to deem the property 'surplus to requirements' and to seek to sell it on the open market which could realise a substantial receipt into the HRA that can be re-invested as outlined in 3.1

Financial Services comments:	Contained in the report
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Legal Services comments:	Contained within the Report
Crime and Disorder:	None
Equality and Diversity:	None
Service Improvement Plan implications:	None
Corporate Plan:	Pursuit of Efficiency and Effectiveness – Managing finances effectively
Risk Assessment:	Refer to Section 5 of this report
Background papers:	Open market Valuation Report (Sept 2016). Housing Services Manager - Delegated Authority
Appendices/Enclosures:	
Appendix 'A'	Table of Estimated Repair Costs
Appendix 'B'	Location Plan
Appendix 'C'	Photos (front & rear elevation)
Report Author/ Lead Officer:	Mark Johnson (ext 5750)

Budget estimates in relation to remedial/improvement works to a GBC lettable standard.

Element	Est GBC Cost
Remedial works to roof structure & fire wall	£7,200
External wall repairs including chimney & airbricks	£4,200
Floor repairs	£4,500
Damp proofing, ceilings & dry-lining	£9,000
'Gosport Standard' Kitchen, bathroom & electrical upgrade	£11,500
Internal joinery repairs	£1,200
Preparation and decoration throughout	£5,000
External Wall Insulation (EWI) inc new windows (optional)	£9,600
Temporary works (inc scaffold)	£3,000
External works (inc clearance)	£2,000
Sub Total	£57,200
Contingency (10%)	£5,720
Total	£62,920

Appendix 'B'



GOSPORT
Borough Council

DATE : 11/10/2016

Scale 1:350
0 2 4 6 8 10 m

If this map has been transmitted electronically, use the scale bar in preference to the written scale

Appendix 'C' (Photos – Front and rear elevations)



AGENDA ITEM NO.8

Board/Committee:	Economic Development Board
Date of Meeting:	23 November 2016
Title:	Lease of Land and Building at Lee Recreation Ground to Lee Horticultural Society
Author:	Housing Services Manager
Status:	FOR DECISION

Purpose

To seek Board approval for the lease of land and building at Lee Recreation Ground to the Lee Horticultural Society for use as a store and clubhouse.

Recommendation

That the Board approves the proposed lease of land and Building at Lee Recreation Ground to the Lee Horticultural Society.

That the Board authorises the Housing Services Manager to finalise terms for the lease of land and building at Lee Recreation Ground and to authorise the Head of Legal Services to enter in to such legal documentation as is necessary to effect the above decision.

1. Background

- 1.1. Lee Horticultural Society (LHS) have been occupying land at Lee Recreation Ground on an informal basis for over sixty years, first in a temporary building and since 1992 in a new building, for which they have been paying a ground 'rent' of £100 per annum. (See plan at Appendix A).
- 1.2. The LHS has never had, as far as records show, a formal lease or licence permitting occupation, though planning permission was given for the new building in 1992 and the Council accepts that a Tenancy at Will exists. This report sets out the terms for a new formal lease of the premises

2. Report

- 2.1. The proposed lease will contain the following main Heads of Terms:

- 2.1.1. The term will be ten years;

- 2.1.2. The rent shall be £100 for the first year and £150 for the next four, rising to £200 for the final five years;
- 2.1.3. The use of the premises shall be as a clubhouse and store for the LHS and members;
- 2.1.4. The tenant shall be responsible for all repairs and maintenance of the premises;
- 2.1.5. The tenant shall be responsible for insuring the premises
- 2.1.6. The tenant shall not be permitted to alter, add, remove or demolish the premises without first seeking the Council's prior permission.

2.2. The Council is obliged under statute to obtain best consideration on all property disposals but under the General Disposal Consent (England) 2003 (circular 6/03) local authorities can dispose of any interest in land held by them for less than best consideration, providing the undervalue does not exceed £2million, where the authority considers that this will help it to contribute to the promotion or improvement of the economic, social or environmental well-being of the area. It is considered that the use of the facility by the LHS fulfils this criterion by promoting the social and environmental well-being of the area.

2.3. The location of this facility means it is unlikely that it would be offered for commercial purposes, however, if it were its rental value would potentially be valued somewhere in the region of £400/annum.

3. Risk Assessment

3.1. There are no identified risks to the Council involved with the leasehold disposal of this land.

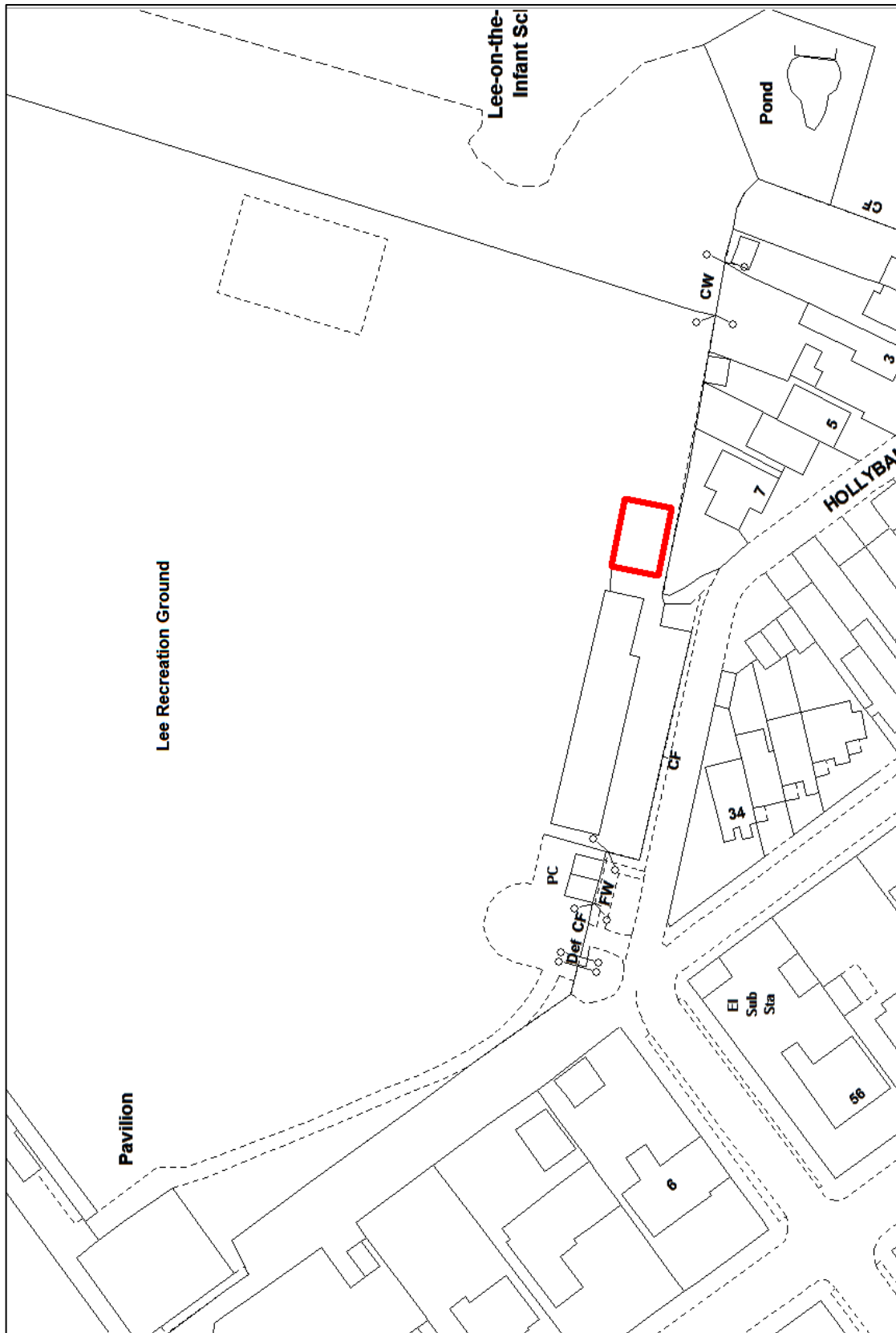
3.2. Should the Board not approve the leasehold disposal the Council would be obliged to recover the site from the LHS, identify an alternative use or incorporate the site back in to the Recreation Ground.

4. Conclusion

4.1. The lease of the land and building at Lee Recreation Ground to the Lee Horticultural Society will formalise a longstanding agreement and provide security of tenure to a well-established & active community group.

Financial Services comments:	Contained in the report
Legal Services comments:	Contained within the report
Crime and Disorder:	None
Equality and Diversity:	None
Service Improvement Plan implications:	None
Corporate Plan:	The proposal will contribute to the corporate priorities relating to People and Places
Risk Assessment:	See report – section 3
Background papers:	None
Appendices/Enclosures:	
Appendix A	Site plan
Appendix B	
Report author/ Lead Officer:	Andrew Morton

Appendix A



AGENDA ITEM NO.9

Board/Committee:	Economic Development Board
Date of Meeting:	23 November 2016
Title:	Lease of Land and Buildings at Monks Walk, Gosport to Styler's Gym
Author:	Housing Services Manager
Status:	FOR DECISION

Purpose

To seek Board approval for the lease of land and buildings at Monks Walk, Gosport to Styler's Gym.

Recommendation

That the Board approves the proposed lease of land and Buildings at Monks Walk, Gosport (known as Styler's Gym) to Mr Matt Styler.

That the Board authorises the Housing Services Manager to finalise terms for the lease of land and buildings at Monks Walk, Gosport and to authorise the Head of Legal Services to enter in to such legal documentation as is necessary to effect the above decision.

1. Background

1.1. Styler's Gym has occupied land and buildings at Monks Walk, Gosport since 1962, operating a gymnasium and fitness centre.

1.2. Mr Don Styler contacted the Council with a view to adding an additional named person, his son Mr Matt Styler, on to the agreement, as a part of succession planning for the gym; it was agreed that this would be an opportune moment to update the existing outdated agreement.

2. Report

2.1. The property is a former Youth Hostel site that has been occupied by the current tenant since 1962 on two separate annually renewable agreements. The current passing rents total £111/annum (see Appendix A for site plan).

2.2. The property is approximately 1.8 acres and consists of a traditional weight training gymnasium, utility building and outdoor assault course within a woodland setting.

2.3. The proposed new combined lease will contain the following main Heads of Terms:

- 2.3.1. The term will be seven years (less five days);
- 2.3.2. The rent to be £2,500pa in year one; £5,000pa in year two and £7,500pa in years three, four and five. On the fifth anniversary the rent shall be reviewed in line with the change in the Retail Price Index, upward only;
- 2.3.3. The tenant will be responsible for all internal repairs and maintenance and decoration of the existing buildings; the Council will maintain the external structures and exterior of the buildings (but not decoration), but this shall be subject to a clause that the Council shall cease to maintain should any building be beyond economic repair;
- 2.3.4. The tenant shall be responsible for the repairs and maintenance on any other building or structure on the land, all fences, gates and soft landscaping;
- 2.3.5. The tenant shall be responsible for all charges, rates and taxes on the land;
- 2.3.6. The tenant shall be responsible for insuring the premises;
- 2.3.7. No alternations or additions shall be made to the buildings without prior landlord consent.

2.4. The Term of the Lease proposed means that the Council is not obliged to receive best consideration in the way of rent, as this obligation only applies for Leases of seven years or longer. The year 3-5 rental figure was, however, assessed by the Council's consultant Valuer as being market value for the site and therefore best consideration will be received for the majority of the Lease Term. Whilst it is appreciated that this means that best consideration will not be obtained for the first two years of the Lease, the stepped increase has been agreed, through negotiation and subject to Board approval, to allow the tenant to become accustomed to the new rent as it is a considerable increase on what was previously being paid. Although the Council has a fiduciary duty to its residents to maximise the income it receives from its assets, it is considered that this reduced rent for the first two years of the Lease Term is justified as without it the business carried on at the premises could be jeopardised.

2.5. Mr Don Styler has been suffering from ill health for some time and we understand this, in part, is what prompted the request to add Mr Matt Styler's name on to the agreement. Unfortunately Mr Don Styler passed

away on 10 November 2016. Officers have been in contact with Mr Matt Styler and he has indicated that he wishes to proceed with the new lease, as the sole named lessee.

3. Risk Assessment

3.1. There are no identified risks to the Council involved with the leasehold disposal of this land.

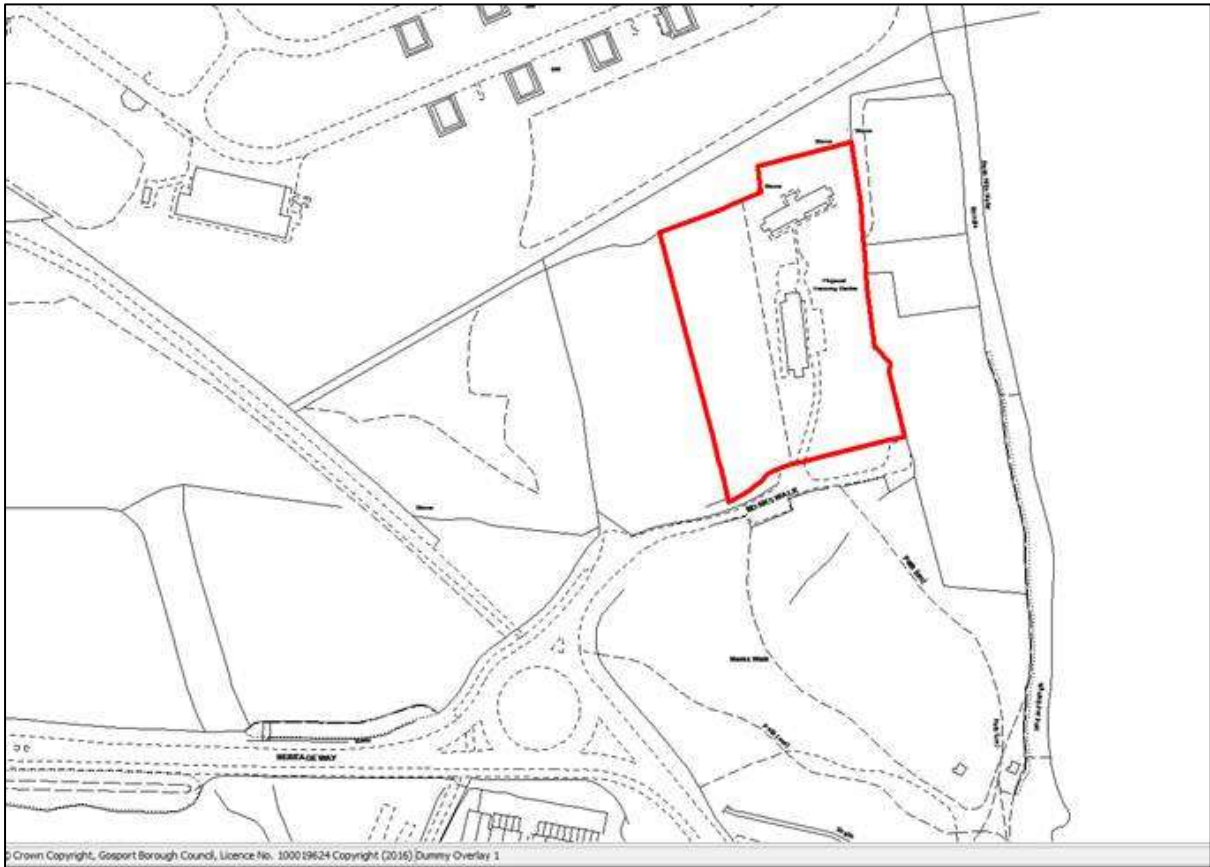
4. Conclusion

4.1. The lease of the land and buildings at Monks Walk, Gosport to Styler's Gym will provide improved security of tenure & succession planning for a well-established local business and provide an increased revenue income to the Council.

Financial Services comments:	Contained in the report
Legal Services comments:	Contained within the report
Crime and Disorder:	Not Applicable
Equality and Diversity:	Not Applicable
Service Improvement Plan implications:	None
Corporate Plan:	These proposals support the Council's core value relating to Performance
Risk Assessment:	See report – section 3
Background papers:	None
Appendices/Enclosures:	
Appendix A	Site plan
Appendix B	
Report author/ Lead Officer:	Andrew Morton

Appendix A

Site Plan



AGENDA ITEM NO.10

Board/Committee:	Economic Development
Date of Meeting:	23 November 2016
Title:	Lease of Land at South Street Gosport to Alverbridge Nursery
Author:	Housing Services Manager
Status:	FOR DECISION

Purpose

To seek Board approval for the lease of land and buildings at South Street Gosport (former Driving Test Centre) to the Alverbridge Nursery for use as a day nursery for children aged six months to five years old.

Recommendation

That the Board approves the proposed lease of land and Buildings at South Street, Gosport (former Driving Test Centre) to the Alverbridge Nursery.

That the Board authorises the Housing Services Manager to finalise terms for the lease of land and buildings at South Street Gosport and to authorise the Head of Legal Services to enter in to such legal documentation as is necessary to effect the above decision.

1. Background

1.1. Alverbridge Nursery have been operating from Haselworth School for a number of years but are coming under pressure to relocate due to the lack of space that the school can now allocate to them; this lack of space could compromise the quality of service the nursery provides along with their Outstanding Ofsted rating.

1.2. The nursery had been in regular contact with Officers in their search for a new location within the town centre so when it became clear that the previous tenant of the former Driving Test Centre would be vacating the premises at the end of their lease term Officers contacted the Nursery to raise their attention to the potential site.

2. Report

2.1. The Council hold the site on a 125 year lease (commenced 1991) from the Crown Estate.

- 2.2. The site was originally sub- let to the Secretary of State for the Environment on a 25 year lease for use as a driving test centre, when this use was no longer required the site was assigned for use as a physiotherapy clinic; this lease came to an end in June 2016 and the site is currently vacant.
- 2.3. The Alverbridge Nursery had been in regular contact with Councillors and Officers in their search for a new town centre location so when it became clear that this site would become available officers contacted the Nursery who considered that the site would be an ideal location within their catchment area and providing convenient access to the open space at Walpole Park.
- 2.4. Terms have been agreed between Officers and the Alverbridge Nursery the primary terms being as follows:
- 2.4.1. A lease term of ten years;
 - 2.4.2. A rent of £15,500/annum, to be reviewed on the fifth anniversary based on the increase in RPI at the review date, upward only;
 - 2.4.3. The lease shall permit the tenant to use the premises for the purposes of a nursery with associated administration and support services;
 - 2.4.4. The tenant is to be responsible for all maintenance;
 - 2.4.5. The tenant is to be responsible for insuring the premises.
- 2.5. The rental sum was valued by the Council's Valuer, Hellier Langston, as being market value for the site and therefore represents best consideration.
- 2.6. The proposed new tenant wishes to extend the premises in order to make them more suitable for the number of children within their care and improve the security of the perimeter of the site, these proposals have been estimated as requiring an investment something in the region of £200,000 by the Nursery. These proposals were submitted to the Council's Planning Department and were subsequently approved (see plan at Appendix 2).
- 2.7. In light of the investment planned by the Nursery, as detailed above, it is proposed to offer, subject to Board approval, the first quarter rent free.
- 2.8. The head lessee for the site, the Crown Estate, has been formally consulted on the proposals to let and develop the site and have raised no objections.

3. Risk Assessment

3.1. There are no identified risks to the Council involved with the leasehold disposal of this land.

3.2. Should the Board not approve this lease the site will remain vacant until an alternative lessee is identified.

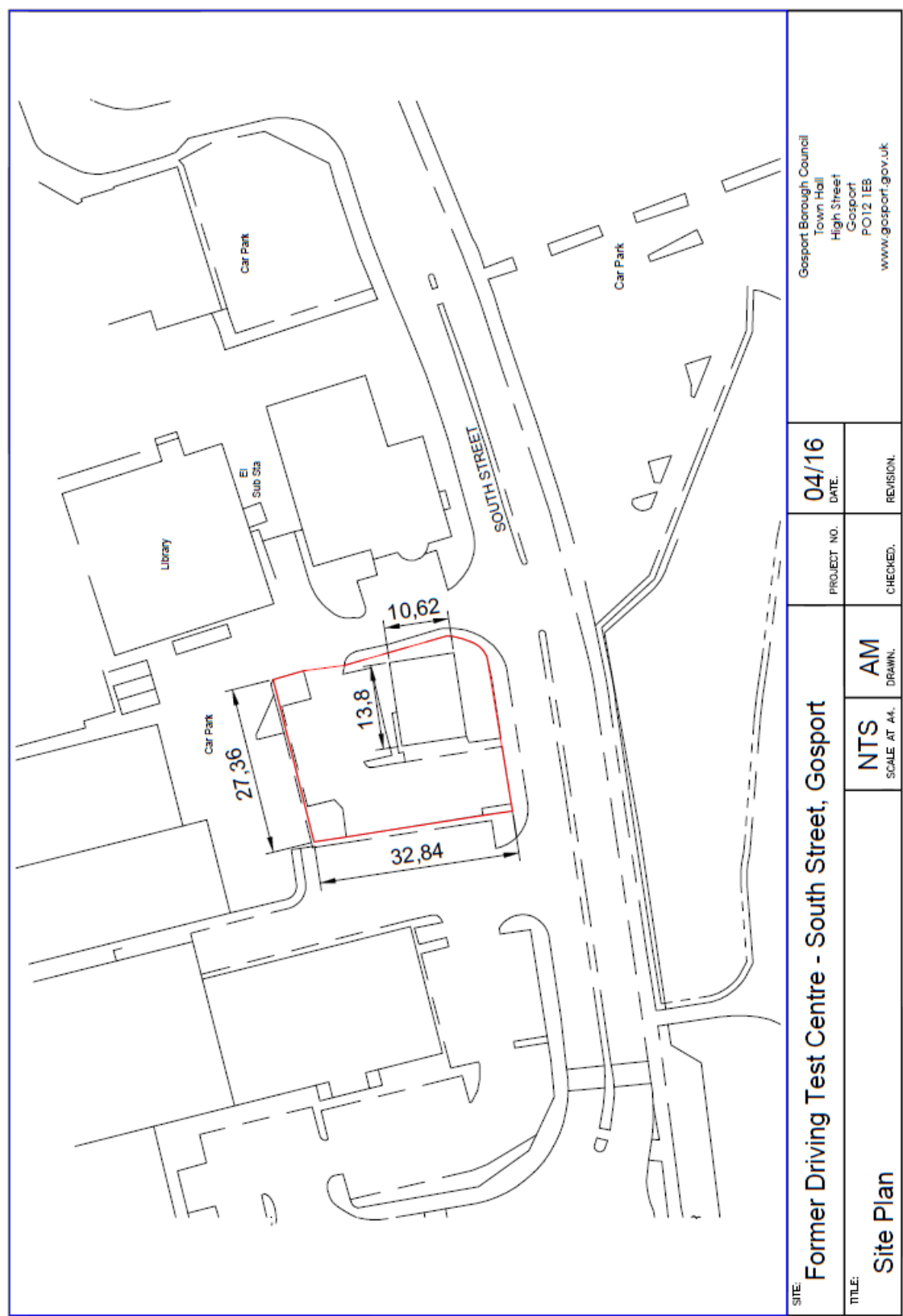
4. Conclusion

4.1. The lease of the land and buildings at South Street, Gosport to the Alverbridge Nursery will help facilitate a new and much needed nursery facility in the town centre by an organisation that has proven track record in early years provision and provide a revenue income to the Council of £15,500/annum.

Financial Services comments:	Contained in the report
Legal Services comments:	None
Crime and Disorder:	None
Equality and Diversity:	None
Service Improvement Plan implications:	None
Corporate Plan:	The proposal will contribute to the corporate priorities relating to People and Prosperity
Risk Assessment:	See report – section 3
Background papers:	None
Appendices/Enclosures:	
Appendix A	Site plan
Appendix B	Proposed development
Appendix C	
Report author/ Lead Officer:	Andrew Morton

Appendix A

Site Plan



Appendix 2

Site Plan – Proposed Development



AGENDA ITEM NO.11

Board/Committee:	Economic Development Board
Date of Meeting:	23 November 2016
Title:	Lease of Roof Space at Alver Village for the Installation of CCTV Cameras and Associated Equipment
Author:	Chief Executive
Status:	FOR NOTING

Purpose

To report to Board use of the Chief Executive's emergency delegated powers for the lease of roof space from First Wessex on Ark Royal House, Alver Village, Rowner to facilitate the installation of CCTV cameras and associated equipment in and around the Alver Village area.

1. Background

- 1.1. The Council is a member of the Consortium that has delivered the Rowner regeneration project along with Hampshire County Council, First Wessex, Taylor Wimpey and the Homes and Communities Agency.
- 1.2. The Planning conditions for the project included a requirement to install CCTV cameras for the purpose of community safety and crime reduction, and the Council agreed to carry this out on behalf of the partnership.

2. Report

- 2.1. Officers agreed terms to enter into a twenty year lease with First Wessex for the installation of CCTV cameras and associated transmission equipment on the roof of Ark Royal House, Alver Village, Rowner.
- 2.2. Due to on-going issues of anti-social behaviour in the area I was requested to use my emergency delegated powers to authorise the Council to enter into the proposed Lease very quickly and so it was not possible to wait for the next meeting of this Board.

3. Conclusion

3.1. The lease of roof space from First Wessex at Ark Royal House has facilitated the installation of CCTV equipment in the Alver Village area complying with the Planning conditions and promoting community safety & crime reduction.

AGENDA ITEM NO. 12

Board/Committee:	Economic Development Board
Date of Meeting:	23 November 2016
Title:	Lease of Town Hall Offices to the Office of the Police and Crime Commissioner for Hampshire
Author:	Housing Services Manager
Status:	FOR DECISION

Purpose

To seek Board approval for the lease of additional office space within the Town Hall, for use as a reception desk for the new Police Neighbourhood Office, to the office of the Police and Crime Commissioner for Hampshire (OPCC).

Recommendation

That the Board approves the proposed Supplemental Lease with The Office of the Police and Crime Commissioner for the Hampshire Police Area (OPCC) to provide additional office accommodation within the Town Hall for use as a Police reception area.

That the Board authorises the Housing Services Manager in consultation with the Chairman of the Economic Development Board to finalise terms for the Supplemental Lease and to authorise the Head of Legal Services to enter in to such legal documentation as is necessary to effect the above decision.

1. Background

1.1 The Police and Crime Commissioner for Hampshire is currently implementing an Estate Change Programme which builds upon successful partnerships that have been forged as part of the OPCC's commitment to neighbourhood policing and moving from an owned to a shared estate.

1.2 Gosport Borough Council has already entered in to a ten year lease agreement with the OPCC that provides accommodation for the new Neighbourhood Police Office for Gosport, at the time this lease commenced the OPCC did not have concrete plans to incorporate reception facilities within the Neighbourhood Offices.

2. Report

2.1 The OPCC wishes to trial 'front counter' facilities in the new Neighbourhood Police Offices throughout the county and Gosport is considered to be a suitable location to carry out that trial. This trial is supported by Councillors and Officers as it will provide a continuation of the 'front counter' services provided by the Police to the residents of Gosport. In order to encourage the OPCC to use Gosport an offer, subject to Board approval, has been made to provide the accommodation rent free for a trial period, the length of the trial period is still subject to final agreement.

2.2 It is proposed that the lease will be supplemental to the existing lease for office accommodation, on the same terms and running co-terminus, although there will be an amended break clause giving the OPCC the opportunity to terminate the lease should the trial period prove unsuccessful. As detailed above it is proposed to offer an initial rent free period, although a service charge will be levied.

2.3 After the initial rent free period it is proposed to charge rent at the same area rate as the rest of the office accommodation, currently £7.50/ft². This equates to an annual rent of £1435/annum.

2.3 The Council is obliged under statute to obtain best consideration on all property disposals but under the General Disposal Consent (England) 2003 (circular 6/03) local authorities can dispose of any interest in land held by them for less than best consideration, providing the undervalue does not exceed £2million, where the authority considers that this will help it to contribute to the promotion or improvement of the economic, social or environmental well-being of the area. It is considered that the use of the facility by the Police as a reception desk providing face to face services to the residents of Gosport fulfils the criterion of promoting social and environmental well-being.

2.4 The area proposed to be leased to the OPCC equates to approximately 18m² and is shown hatched red at Appendix A; the existing area leased to the OPCC is shown hatched green.

2.5 The location has been selected as it benefits from a separate entrance (see plan at Appendix A) that can be used to access the Police reception, from Thorngate Way, without entering the Town Hall reception or compromising the security of the building when operating outside of Town Hall opening hours. The area is not currently occupied by the Council for operational purposes.

3. Risk Assessment

3.1 The lease to the OPCC is considered to be low risk.

4. Conclusion

4.1 The leasing of office accommodation for use as a Police reception facility will help to ensure the continued provision of 'front counter' facilities for the residents of Gosport. The service charge will contribute to the running costs of the Town Hall and if the trial period proves successful will provide additional revenue income of £1435/annum; if the trial period proves unsuccessful the Council will recover a refurbished office space for operational use or letting to another third party/partner organisation.

Financial Services comments:	Contained in the report
Legal Services comments:	Contained within the report
Crime and Disorder:	None
Equality and Diversity:	None
Service Improvement Plan implications:	None
Corporate Plan:	These proposals support the Council's core values relating to Performance and Partnership
Risk Assessment:	See section 3
Background papers:	None
Appendices/Enclosures:	
Appendix 'A'	Site Plan
Appendix 'B'	
Report author/ Lead Officer:	Andrew Morton

Appendix A – Site Plan

